

E911 Ruling Uncovers Questions over VOIP's Classification

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By Robyn Weisman, PDFZone

The FCC's ruling Thursday to require VOIP providers to make Enhanced 911 service a mandatory feature for their phone service highlighted a question that all too many people had previously taken for granted: Why didn't VOIP service providers let customers know that before this ruling, E911 *was not* a standard feature of their service?

"It's been sort of an assumption that [E911 service] was a given, and that worked out for a while, but once you decide to switch to VOIP, there was no real guarantee. Yet it was a reasonable expectation to have E911 services, [given that] VOIPs were advertising and offering their services as phone service," said IDC research manager William Stofega said.

But according to Stofega, the FCC dropped the ball to a large extent by not making the distinction between traditional telephone service and services offered by VOIPs.

The FCC regarded VOIP offerings officially as an information service rather than phone service, which meant VOIP providers could sidestep the sorts of regulatory requirements that traditional ILECs (incumbent local exchange carriers) and later, CLECs (competitive local exchange carriers) who entered local markets after the Telecommunications Act of 1996 have had to follow.

These stipulations include paying taxes to state governments and following certain processes to certify in every state in which the company does business.

Not surprisingly, these actions are capital-intensive and time-consuming, said Stofega.

At the same time, the FCC failed to differentiate between state and federal requirements for VOIPs.

Typically, the federal government administers regulations and taxes over long-distance carriers in the way state governments administers local carriers; however, the FCC labeled VOIPs as "distance insensitive," without providing replacement regulations in which to govern them, Stofega continued.

"Back in 1998, the VOIP market was not very big, and the FCC didn't want to push for regulations that could stifle innovation—but then they never did anything since," said Stofega.

Stofega said that by putting the E911 regulations into effect, new FCC chairman Kevin Martin did the best thing he could possibly do, given the circumstances, although he thought that the 120-day deadline to comply could have been stretched out some.

"At the end of the day there was no guidance for [VOIP providers] to follow until now. They may not like the rules, but they need to know what the rules are," Stofega pointed out.

For her part, Forrester Research vice president Lisa Pierce said that any VOIP putting the blame on the FCC for not spelling out the rules for it and taking a "We didn't know" attitude was nothing but a smokescreen.

"If a VOIP provider wanted to be diligent, it would know to follow what was already in effect for [traditional carriers] even if no specific regulations were there. The level expectation is that providing E911 service is part of the price of being in the game—and it's less bad on [a VOIP's] reputation than paying for attorneys," Pierce said.

Pierce called the FCC's decision a good thing, although she was disappointed that it didn't happen sooner than it did.

Former FCC chairman Michael "Powell was asleep at the switch—you can quote me on that," Pierce continued.

"It's nice to see that this new commissioner believes public safety is so important regardless of the network infrastructure."

Meanwhile, 911 delivery-services company Intrado Inc. stands to benefit from this attention to the E911 situation.

Ray Paddock, vice president of industry relations at Intrado, noted that the FCC would not have wanted to mandate something that was not technically feasible and that Intrado does has had the solutions needed to make the FCC's deadline workable since January 2005.

Marcus Andronici, product manager of 911 systems and services at Intrado, explained that Intrado's solutions work either by "us delivering [E911] instructions to the VOIP provider or us terminating the emergency call directly to the selected router on behalf of the VOIP."

"Many who went up to the FCC [looking for a mandate] are Intrado customers," said Paddock. "We have a lot of technology here. Now the missing policy piece is in place."

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